

# COMPONENTS OF SELF FUNDING

## Claims Costs & Fixed Costs



- *Administrative Fees*
- *Network Access Fees*
- *Stop Loss Premiums*
  - *Specific*
  - *Aggregate*

### *Specific Stop Loss*

- A specific limit (*deductible*) to protect the City from a catastrophic claim or series of claims for one individual (\$175,000)

### *Aggregate Stop Loss*

- A total expense limit to protect the City in the event of considerably unfavorable year for the group's total claims (120%)



## STOP LOSS COVERAGE

- Guardian/Stealth (incumbent) second one-year contract is a 0% rate change from current 2017 rates
- Issued a “laser deductible” on one known catastrophic claimant for 2018
- Reduced the aggregate stop loss factor by approximately 7.6%, resulting in a plan/claims maximum liability of approximately 2.9% under 2017



# BENEFITS RFP - STOP LOSS COVERAGE

GUARDIAN/STEALTH	2017 – CURRENT	2018 – RENEWAL
Specific Stop Loss	\$175,000	\$175,000
Aggregate Corridor	120%	120%
<sup>1</sup> Specific Premium Rate (PEPM)	\$89.44	\$89.44
<sup>1</sup> Aggregate Premium Rate (PEPM)	\$2.87	\$2.87
<sup>2</sup> Laser Liability	\$0	\$425,000
<sup>2</sup> Annual Aggregate Accumulation	\$9,663,333	\$8,931,969
Maximum Plan Liability – 2018	\$10,454,245	\$10,147,881

<sup>1</sup> Specific and Aggregate Premiums are budgeted in the benefits fund

<sup>2</sup> Laser Liability and Aggregate Accumulation to be funded through the Benefits Fund claims budget and fund balance



# RECOMMENDATION

Authorize The Execution Of  
All Necessary Documents  
To Enter Into A One-year Contract  
In The Amount of \$790,912 With  
Guardian/Stealth Partner Group  
Effective 01/01/2018 Through 12/31/2018  
For Specific & Aggregate Stop-Loss Coverage



# QUESTIONS

